

HIV/AIDS AND FINANCE



How to use this toolkit...

This toolkit aims to assist Government Ministries or Departments to develop a sector-specific response to the HIV/AIDS epidemic.

The toolkit is intended to facilitate the incorporation of HIV/AIDS issues into existing planning processes.

The following general issues should be considered when using the toolkit:

Active commitment by leadership

- Active commitment by leadership is essential to support the process of planning and implementing an effective response to HIV/AIDS. Whoever uses this toolkit should place the commitment of leadership high on their agenda (the Minister, Permanent Secretary and/or Directors).

Prioritisation of activities

- Activities must be prioritised because of the complexity of the impacts of HIV/AIDS. Responses must not be delayed unnecessarily while full details of all impacts are obtained. Data collection should be prioritised to provide the information that is most important and feasible to collect within immediate constraints. For example, to enlist leadership commitment and allow for initial planning, ballpark figures and readily available data may be appropriate. However, for more detailed planning, more detailed data collection may be required. Responses will need to be prioritised according to expected impact, and the consequences of not responding.

This document is one in a series of pamphlets targeted at Government Ministries.

The aims are:

- to assist priority sectors to identify areas where they are vulnerable to the impacts of HIV/AIDS.
- to suggest specific steps that can be taken.

Expert assistance

- Expert assistance of people with specialist knowledge of HIV/AIDS and planning skills is essential to ensure adequate understanding of HIV/AIDS impacts and effective response planning.

Generic issues

- Some of the issues covered by the toolkit need to be considered by all Government Ministries.
- The four accompanying documents are generic, and apply to all Ministries. These are:
 - 1) *Understanding HIV/AIDS*
 - 2) *Why HIV/AIDS is a Government Issue*
 - 3) *HIV/AIDS and Ministry Employees*
 - 4) *Planning Tools*.
- These should be used by the Ministry of Finance in conjunction with this document as indicated in the steps that follow on page 2.

The full Toolkit range:

Generic:

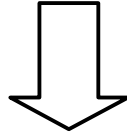
- Understanding HIV/AIDS
- Why HIV/AIDS is a Government Issue
- HIV/AIDS and Ministry Employees
- Planning Tools

Ministry and/or Department:

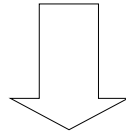
- HIV/AIDS and Agriculture
- HIV/AIDS and Education
- HIV/AIDS and Finance
- HIV/AIDS and Health
- HIV/AIDS and Housing and Public Works
- HIV/AIDS and Labour
- HIV/AIDS and Welfare

*Below is a diagrammatic chart
of the steps described in this toolkit.*

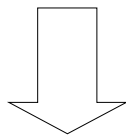
Step 1:
Understanding HIV/AIDS impacts in wider society,
and the role of Government Ministries



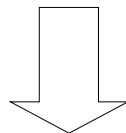
Step 2:
Identify internal impacts within
the Ministry or Department



Step 3:
Identify external impacts that
influence Ministry functions



Step 4:
Identify appropriate action responses



Combined result:
A sector-specific impact assessment
and response to HIV/AIDS

Step 1: Understanding HIV/AIDS impacts in wider society, and the role of Government Ministries

The HIV/AIDS epidemic presents a major challenge to developing countries. A first step in formulating a response to the epidemic is to understand the basic facts about HIV/AIDS and the role of Government Ministries. There are several features of HIV/AIDS which make it different from other diseases, and which need to be understood in order to formulate appropriate responses. Most transmission of HIV is preventable. Although 'technical solutions' such as making blood supply safe and treating other STDs (sexually transmitted diseases) are important to reduce the risk of transmission, it is also important to address social and economic factors that predispose to high risk situations. While there is no cure for AIDS once a person is infected with HIV, some of the impacts of the disease can be mitigated with prompt treatment.

Information contained in the accompanying document *Why HIV/AIDS is a Government Issue*, includes the following:

- Why HIV/AIDS is a critical issue for any organisation.
- Reasons for government involvement.
- How can governments respond?

The HIV/AIDS epidemic is more than just a health issue. Social and economic impacts within Government Ministries and in wider society necessitate government involvement both internally and externally. Typical HIV/AIDS impacts on organisations that will affect the functioning of Government Ministries include increased absenteeism, lower productivity, higher costs of labour, and skills shortages. Externally, appropriate responses within a Ministry's spheres of influence and responsibility are critical to slow the rate of new infections and to help manage the impact of existing infections. In many areas, legal and policy responses by Government Ministries are able to play a pivotal role in managing the epidemic.

The accompanying document *Understanding HIV/AIDS* includes the following information:

- What is HIV/AIDS?
- How is HIV transmitted?
- What are some of the important features of the HIV/AIDS epidemic?
- Is there any evidence that prevention programmes work?
- Is there prospect of a cure for HIV/AIDS?
- Is HIV/AIDS a manageable condition?
- Useful Internet resources.

Step 2: Identify internal impacts within the Ministry or Department

Identifying internal impacts involves understanding the extent and consequences of infections among Ministry or Departmental employees. These may severely compromise the ability of any organisation to deliver, but the effect may be particularly pronounced in Government if it lacks flexibility to respond to new pressures. The impact of employee infections will be particularly severe for

Ministries in the social sector, such as Education, or Health, because of the multiplier effect of personnel infections. For example, for every teacher infected, the education of some 20-50 learners will be affected. However, the loss of key personnel in any Ministry may adversely affect the functioning of that Ministry, with a ripple effect in wider society.

Experience and research show that a Ministry's vulnerability to employee infections depends on several key areas. Step 2 of this toolkit has been designed to help guide collection of data for identifying the extent and nature of impacts of employee infections in these key areas.

Areas to consider by Ministries include the following:

- Numbers of HIV infected employees
- Absenteeism and productivity
- Recruitment and training
- Morale
- Benefits
- Gender
- Capacity to respond

Some of these areas of vulnerability may be the ultimate responsibility of a central body, such as the Ministry of Public Service Administration, and individual sectors should liaise with this Ministry.

The accompanying document *HIV/AIDS and Ministry Employees* provides an overview of areas of vulnerability to employee infections and flags data that may be needed fully to appreciate impacts.

The types of assessment needed depend on the purpose for which the data are to be used.

In the accompanying document *Planning Tools*, Chart 1 provides examples of assessments that may be appropriate, as well as suggested indicators.

Step 3: Identify external impacts that influence Ministry functions

The Ministry of Finance, at an early stage, will ultimately decide the allocation of budgets to the various sectors. It is therefore imperative that this Ministry considers what information it requires from the various sectors in order to decide on overall allocation as well as specific funds to mitigate HIV/AIDS impacts and prevent new infections. Critical questions need to be posed to the various sectors in this regard. Some external impacts may already be experienced, but many will be felt fully only in the medium- to long-term.

The type of impact assessments and responses that are appropriate will depend on the context, in particular the stage of the epidemic and the extent to which resources have already been mobilised around HIV/AIDS.

For example:

- Is there a high rate of new HIV infection?
- Are there already substantial numbers of people ill with AIDS? What is the current size of the AIDS epidemic?

- What priority policy areas have been identified where resources may be used most effectively, and what further data or analysis are needed to enhance the effectiveness of these?
- What is the contribution of the private sector and donor organisations to AIDS care, and to what extent are appropriate policies and treatment strategies already in place? Are co-ordinating mechanisms in place?
- Have sector-specific strategies to respond to HIV/AIDS been prepared? In particular, have the roles and responsibilities of the Ministries of Education, Welfare and Health been defined with respect to the support of vulnerable children, including orphans and HIV infected children?

Defining the core functions and priorities of the Ministry will be essential to prioritising areas of concern. These are the issues that are expressed in strategic plans and senior management discussions. The challenge of HIV/AIDS should be assessed, guided by the following key questions for each Ministry function and priority:

Key questions for Ministry priorities:

- How does this function or service impact on the spread of HIV?
- How will HIV/AIDS in wider society impact on this function or service?

All relevant stakeholders should be involved in planning impact assessments and identifying appropriate responses. The items in the next section provide a general idea of the scope of the impact on typical Ministry of Finance functions:

- Macroeconomic policy and priorities
- Policy and legislation

Review the examples of the type of assessment you may need fully to appreciate impacts in these areas.

Suggested indicators are given in Chart 2 in the document *Planning Tools*.

- Complete a similar chart for areas that are relevant to your Ministry.
- Tick those areas where data may be useful for motivation or planning within your Ministry.

Macroeconomic policy and priorities

HIV/AIDS may influence overall demography and the economy. For example, AIDS mortality among the tax base may decrease revenue received under normal taxation; demands for poverty relief may outstrip projections because of HIV/AIDS; home-based care for persons with AIDS may place new demands on social development expenditure, for e.g. provision of clean water & infrastructure expenditure; increased demands for health services will be experienced at all levels.

- What are the overall resources available for government spending and how much flexibility is there likely to be to meet new needs as a result of HIV/AIDS?
- What are current mechanisms for determining allocation of funds between sectors or sectoral clusters, and how much flexibility is there likely to be to respond to new needs?
- What are the key need and cost areas created by HIV/AIDS?

- What are the need and cost areas as a result of HIV/AIDS impacts on Government Ministry employees likely to be? Key areas that may need consideration include absenteeism and productivity, training needs and adequacy and sustainability of benefits.
- What is the size of current and projected need as a result of HIV/AIDS in wider society?
- What are the cost implications within current practice?
- What is the regional variation of need and cost likely to be and over what time frame?
- Is current practice cost-efficient?
- What is the status of each sector's response to HIV/AIDS? For priority sectors:
 - Has the sector quantified the impacts of HIV/AIDS on the need for its services or functions?
 - Have strategic options been identified? These should include prevention options and options to manage impacts.
 - Have options that are affordable and sustainable, cost-effective and that promote the public good been identified and prioritised?
 - Have key efficiency improvements been identified?
- Has a strategic plan been developed that takes HIV/AIDS issues into account? Is it comprehensive, dealing with internal and external impacts of HIV/AIDS on the sector?
- Does the sector's strategic plan address equity concerns?
- What is the status of inter-sectoral action and how do sectors currently deal with overlap or gaps in responsibilities to ensure planning for a multisectoral and integrated response? Can the responsibilities of various sectors for impacts of HIV/AIDS be identified? For example, what aspects of the care of orphans will be co-ordinated by the Ministries of Education, Health and Welfare, and how will functions undertaken by different Ministries be integrated?

- What is the impact of HIV/AIDS likely to be on the total government revenue?
- Increase or decrease the rate of spread of HIV infection?
- Provide adequate protection against discrimination for the increasing numbers of people infected or affected by HIV/AIDS?
- Require adaptation to meet new challenges to implementation because of HIV/AIDS?

Policy and legislation

Do any current or planned policies and legislation related to the sector:

Step 4: Identify appropriate action responses

Responses in areas of internal impact

Responses to internal impacts involve preventing new infections among employees and reducing impacts of existing infections.

Key questions for Ministries are:

- How can employee infections be prevented?
- What can be done about the impacts of existing employee infections, and future infections that are not avoided?

Actions that can be taken by Ministries include those related to:

- Prevention of new infections
- Absenteeism and productivity
- Recruitment and training
- Morale
- Benefits
- Gender
- Capacity to respond

Where actions are the ultimate responsibility of a central agency, such as a Department or Ministry of Public Service and Administration, the Ministry of Finance should liaise with this agency.

The accompanying document *HIV/AIDS and Ministry Employees* provides an overview of some possible responses.

All key stakeholders must be encouraged to identify and plan projects related to particular action responses. It is important to prioritise responses that are most critical and feasible in your specific situation.

Examples of types of responses or projects that may be undertaken are provided in Chart 3 of the accompanying document *Planning Tools*.

Responses in areas of external impact

Responses to external impacts include those aimed at assisting the Ministry to continue to achieve goals and fulfil its functions in the context of changed needs in society. It also shows how the Ministry can take action to reduce HIV spread.

As for the impact assessments described in Step 3, the type of responses needed will be guided by the Ministry's core functions and priorities at a particular time. The challenge of HIV/AIDS should be assessed, guided by the following key questions for each Ministry function and priority:

Key questions for Ministry priorities:

- How can these services impact on HIV spread in the wider community?
- What can be done about the impacts of HIV/AIDS on these sector functions?

The items in the next section provide a general idea of the scope of possible responses by Ministries of Finance. Some responses may mobilise Government Ministries actively to address impacts, while others may be targeted at mobilisation and regulation of the private sector.

It is important to prioritise responses that are most critical and feasible in your specific situation. Appropriate participation of key stakeholders is likely to be important for effective prioritisation and buy-in.

Review each of these areas of action and consider which may be relevant to your Ministry.

Suggested indicators are given in Chart 2 in the document *Planning Tools*.

- Complete a similar chart for areas that are relevant to your Ministry.
- Tick those areas where data may be useful for motivation or planning within your Ministry.

Policies and Priorities

- Promote the inclusion of specific HIV/AIDS objectives and activities in all plans and budgets submitted to the Ministry of Finance.
- Ensure that current expenditure reporting systems encourage appropriate allocation of resources to HIV/AIDS.
- Increase government spending in areas of major need. Priority should be given to expenditure which funds cost-effective interventions or represents a strategic investment in planning and capacity to meet future increases in need. However, the critical role of expenditure on broader social and economic development, and in areas such as Welfare, to combat the spread of HIV and reduce vulnerability to impacts should be recognised. Thus care should be taken when considering the appropriate magnitude of any extra resources to be diverted to health care. Available data and ongoing consultation should be an integral part of priority setting and resource allocation decision-making.

- An indication of overall policy on expenditure in response to HIV/AIDS, and the scale of possible increases, should be communicated to planners and institutions as soon as possible to guide planning of responses.
- Ensure that high-risk projects include HIV/AIDS impact assessment and prevention.
- Promote ways to increase the internal efficiency of Ministries.
- Give active support to priority HIV/AIDS responses by the private sector. For example, consider ways of awarding tax relief for responses that go beyond what would ordinarily be expected. Such responses may include innovative prevention programmes, assisting communities with orphan support or contributing to the financing and running of terminal support and home-based care support centres.
- Ensure that incentives and regulations, for example medical scheme regulations, promote adequate care of HIV/AIDS illness and equity. Consideration should be given to optimising the role of the private health sector in HIV/AIDS care. Cost ineffective, unsustainable care can have serious consequences for members and their households whose benefits become exhausted, as well as for overall health care system efficiency. Issues which may be considered include:
 - Requiring private medical schemes to give members and government information on the sustainability and cost effectiveness of various HIV/AIDS (and other high cost) care options.
 - Developing mechanisms to ensure that private patients are not dumped on public sector care after cost-ineffective use of private funding.
- Ensure policies and procedures for occupational HIV infection are clear and draw on available resources; these should include hospitals, prisons and the police service.

Is it appropriate for the Finance Ministry to mobilise the Finance sector in any of the above areas of response?

Appendix 1: Examples of data that may be useful to drive sectoral AIDS responses

- In one study, it was demonstrated that firms took, on average, 8 times longer to replace a deceased professional than a skilled worker.
- Several best practice examples of HIV prevention and management responses relevant

to Finance have been described in: *Best practices. Company actions on HIV/AIDS in Southern Africa*, Loewenson R with Michael K, Whiteside A, Hunter L and Khan N. OATUU, supported by UNAIDS, February 1999.

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